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AUTHOR Thomas, Franklin A.
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ABSTRACT

This 1983 speech by the president of the Ford Foundation addresses the problem of youth unemployment and examines the case for adoption of a system of "National Service." The widening effects of structural unemployment are cited; and economic, demographic, and technological reasons for this phenomenon are outlined. National Service is described as a system which, by formalizing contributed service by American youth, can provide for national security and defense, provide opportunities for young people to help solve social and environmental problems, and open new perspectives and choices to young people for bettering themselves as workers and as citizens. In addition, the plan is seen as encouraging social equity. Several models of National Service are examined. These differ in such features as (1) mandatory versus voluntary participation, (2) universal or selective registration, (3) number of registrants required to serve, (4) emphasis placed on personal development, and (5) cost and management. Thomas concludes by calling for comprehensive research, thoughtful planning, and informed public debate prior to the implementation of any National Service plan, in order to ensure that the program will meet the needs of both the nation and its youth. (GC)

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Youth Unemployment and National Service

by Franklin A. Thomas

Franklin A. Thomas is president of the Ford Foundation. The following is an address delivered to the Economic Club of Detroit, March 7, 1983.

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I want to speak today about two subjects, one that is familiar to you and another that deserves to be. The first concerns the worsening problem of youth unemployment. The second is related to the first but embraces a broader set of issues. It examines the case for the adoption of a system of National Service.

Virtually every industrial country is now burdened with unprecedented rates of unemployment, especially among young people. In our country the affliction appeared earlier than elsewhere. It has been intensified by disastrous rates of unemployment among inner-city minority youth.

The measures of youth unemployment seem to be governed by what might be called "the two-times rule." Over a long stretch of years, whatever the adult unemployment rate has been, the rate of youth unemployment has been at least twice as high. And whatever the unemployment rate of white youth, the unemployment rate of black youth has been at least twice as high. The source of the problem is not just a weakened economy and severe recession. It is a structural problem as well. The discouraging statistics show up in good times as well as in bad, and they get more discouraging all the time.

No one in Detroit needs to be told that structural unemployment is also reaching deeply into the adult labor force, and not only into the ranks of the blue-collar worker. No caring person would claim that the frustrations of unemployed teenagers, most of whom live with parents and many of whom seek only part-time work, are anything like the shattering blows of protracted unemployment on adult workers. Nothing can be more demoralizing than the specter of displaced jobs, obsolete skills, uproot-

ed homes, and disintegrated families. Yet, viewed across a lifetime, the consequences to the young of insufficient career opportunities are equally destructive. Without such opportunities, life chances are diminished and a dismayingly large number of young people are condemned to a lifetime of haphazard employment and marginal earnings. And, as Rev. Leon Sullivan said so forcefully at an earlier meeting, in the minority ghettos where residents have the greatest cause to fear for their persons and their property, youth unemployment, by no coincidence, is most concentrated.

The Dimensions of Youth Unemployment

The incidence of structural unemployment—a term commonly used to describe a mismatch between the skills of workers and the requirements of available jobs—is evidenced by ever rising average levels of unemployment for adults as well as youth, and males as well as females. Successive business cycles have been accompanied by higher rates of unemployment at both the peak and the bottom. Looking across the decades, the youth unemployment rate has climbed from 14 percent in the 1960s to 17 percent in the 1970s to upwards of 20 percent so far in the 1980s. Indeed, the progression has been more rapid than for adults and the historical multiplier of two is now something over three.

The trauma of youth unemployment is no longer uniquely American. Western Europe is undergoing a similar experience. In the Common Market countries over the past three years, 42 percent of the 12 million unemployed have been below twenty-five years old.

But compounding America's problem is the tragic circumstance of black youth. To be sure, an overwhelming majority of unemployed youth—something like 70 percent—are white, not black. But the other 30 percent are black even though blacks make up only 15 percent of the general population. Worse yet, in the 1960s, black youth and white youth were employed roughly in proportion to their numbers in the population. By the end of the 1970s, while the rate of white employment came down only slightly, the rate of black employment declined by 19 percent.

Causes and Remedies

We need not linger long over the explanations for the problem of structural youth unemployment. You've probably heard them all. An important one is the extraordinary bulge in the birth rates during the fifties and sixties that later produced a significant mismatch between the supply and demand for labor. Second are the industrial and technological changes in the American economy that resulted in a decrease in the number of traditional entry-level jobs. Third has been geographic shifts in production, which moved manufacturing out of the inner city into the suburbs and then across the oceans to other countries. Fourth has been the onslaught of foreign competition. Fifth is the rise in productivity, which gives us more goods and services with fewer hands. Sixth is the growth of female participation in the formal labor force, the dramatic entry of older women who, driven by economic necessity, swelled the ranks of those seeking paid employment and thus absorbed some of the opportunities that might have been available to the young. Additional job competition came from new waves of legal and illegal immigrants.

The nation's responses to youth unemployment have been numerous and varied. Starting in the late fifties, when the problem of youth unemployment first came to public notice, our nation launched a long succession of remedial programs, so many, in fact, that only a handful of labor experts can describe them all. But most of us know their essence. One series was directed toward job training and job creation in the private and public sectors. Another series encouraged continued school attendance and sought to improve reading, writing, and number skills. There were special programs targeted on the severely disadvantaged, on ex-offenders, on teenage mothers, and on many other subsets of the population. Although only a few of the programs have been thoroughly evaluated, we know that along with some frequently exaggerated failures there have been some programs that yielded fair to good results. Much of value has been learned that should add to the effectiveness of future programs.

Yet, for all these efforts, youth unemployment continued its upward trend. And who knows that better than you here in De-

troit, where so many youth have no hope of a job and where the school dropout rate is so extraordinarily high? A deep yearning has been growing for more comprehensive answers, for some fundamental changes in the way youth make the difficult transition from school to career and from adolescence to adulthood.

One major reform that has been periodically advanced is the adoption of a system of National Service. I want to elaborate on that concept. But first a caveat. Whatever the potential benefits of National Service—and they are, as I will try to show, very considerable—I do not regard it, taken by itself, as a direct or specific cure for youth unemployment. France and West Germany have had National Service systems for many years, but have not escaped the high youth unemployment rates I cited earlier. There is little doubt that a system of National Service could have many desirable consequences for the economic future of the young. But those gains would be of a general nature and a by-product of fulfilling other national and individual needs. In my judgment, there is no way to produce enough jobs to go around except through a high rate of economic growth. And there is no effective cure for inadequate skills, inadequate education, and inadequate motivation except through adequate programs aimed at each of these problems.

National Service

National Service has been defined as "an idea which recognizes that individuals can and should contribute to the larger society and that society should be structured to...encourage such activity." It rests on a belief that contributed service is a vital part of citizenship, an act that can help bind us together as a people, accomplish needed tasks, and provide for individual growth and improvement.

Proposals for National Service come in many varieties, but nearly all seek to address one or more of three critical national needs. One is to provide for national security and the common defense. The second is the need to provide opportunities for young people to help solve social and environmental problems. The third has to do with the personal improvement I just spoke

of. Given a well-designed system, a period of service could open new perspectives for the young, new windows on the world, and new choices for bettering themselves as workers and as citizens.

Indeed, for the earliest proponent of National Service—the eminent American philosopher William James—nation-building and character-building were the primary virtues of such service. In an oft-quoted essay published in 1910, he saw it as a means of mobilizing the willingness of citizens to serve their country, a willingness that is generally called upon only at times of external danger. To James, National Service was the institutional embodiment of the moral principle that every individual owes something to the larger community.

The 1960s endowed the concept of National Service with another dimension, one that concerns the principle of social equity. The youth rebellion and the anti-Vietnam protests of that era resulted in widespread resistance to military conscription, manifested by no small measure of draft evasion and a very large measure of draft avoidance. Middle-class and educated youth often found escape routes not open to or sought by working-class or disadvantaged youth. So, while one part of a generation was mired in a far-off jungle, exposed to death or injury, the greater number lived in safety and comfort. If William James was right in saying that democratic society requires sacrifice, a just society requires that sacrifice be more equally shared. If the military is to claim one part of the pool of young people, fairness dictates that others should serve too. In other ways, perhaps, but serve *somehow.*

The sixties revealed some of those ways. If the antiwar marches and campus sit-ins of that era mobilized the idealism and energy of youth in one direction, the civil rights movement, the Peace Corps, VISTA, and other programs to combat injustice and poverty mobilized it in another, and demonstrated the principle that by serving others, one could also serve oneself.

Thus, the constituency for a system of National Service expanded as particular interest groups began to see it as the means to achieve particular objectives. For some, it was seen as a way of addressing social needs. For others, the attraction was greater

military capability. Some minority leaders saw it as a way to help the disadvantaged, and some environmentalists saw it as a way to reclaim the land. National Service was endorsed by political leaders, educators, civil rights leaders, by official commissions and by private study groups. However, because each constituency has tended to give primacy to its own objectives, no irresistible political coalition for the establishment of a National Service program has yet been formed. Various interest groups—some in Congress, some private—have proposed various kinds of systems, but few of them have been mutually compatible.

Alternative Models of National Service

All of the numerous models of National Service can be classified according to five criteria.

One is whether a given plan is totally mandatory, totally voluntary, or somewhere in between.

Second is the degree to which the model calls for universal or selective registration: that is, whether it is intended to include every person of a specified age without regard to sex, education, or socioeconomic status or whether it is to be limited to designated groups.

Third is the question of scale: how many of those registered would actually be asked to serve? To give you a sense of the numbers, about 4 million youth are now turning eighteen years old each year. Of these, the Armed Forces enlist about 400,000. That leaves up to 3.6 million theoretically available from that age cohort alone for a wide range of other kinds of service.

Fourth is the emphasis to be placed on personal improvement and development, that is, the extent to which the system would provide schooling, training, and guidance as well as meaningful work.

Last are the questions of costs and management. How much of a net burden would a given plan add to the national budget and how would a comprehensive program be administered?

Each of the models so far proposed varies in terms of these five criteria. Let me offer three illustrations that mix the specifications in different ways. Number one might be called the maxi-

mum or military model, because enlistment would be mandatory and universal and because first priority would be given to the Armed Forces. This plan calls for the registration of all persons reaching a prescribed age, say eighteen years old. Every registrant would be required to serve, say, up to two years in a civilian capacity or, alternatively, to enlist for up to two years in the military. Should the Armed Forces fail to enlist a sufficient number of persons with the right attributes, it could draft the remainder by lottery from the civilian-service pool. Such maximum or military models allow for various exemptions and usually allow the military option to be discharged with shorter periods of active service and longer periods in the reserves. As a bonus for military service there are extra rewards in the form of G.I. Bills and the like. Because National Service, under this model, would be mandatory, stipends for both civilian and military enlistments could be kept low and military costs thus sharply reduced.

A second model goes to the opposite extreme. Under it, service would be voluntary and limited. Young people would not be required to register. There would be, however, a substantial expansion of such familiar programs as the Job Corps, VISTA, the Peace Corps, and the youth components of CETA. The assumption underlying this limited model is that there are large numbers of youth who want to perform a useful community service and who do not need to be coerced into doing so. What is necessary is a sufficient number of well-organized opportunities. There is no explicit relationship to military needs. Indeed, this model is just on the threshold of the National Service concept.

Most proposals fall into the third category: intermediate plans that minimize coercion and maximize incentives. Such plans tend to be universal in coverage, relatively large in scale, and are attentive to military needs. Though registration would be mandatory, actual enrollment into National Service would be by inducement rather than by conscription. Stipends would be set at or just below the minimum wage and there would be, further, a schedule of generous mustering-out bonuses. Other inducements would include both in-service and post-service educational subsidies, eligibility for preferential housing loans, and

bonus points on civil service examinations. Such intermediate models propose a scale of between one and four million enrollees.

Military Objectives

For many people, the national security goals of National Service are paramount; they have little interest in any plan that fails to satisfy such goals. The U.S. ended the draft in 1972; since then, we have relied on volunteers to fill the 2.1 million positions in the Armed Forces. The All-Voluntary Force has suffered from many serious problems. First is the high unit cost of recruitment. It is estimated that the Department of Defense spends $2500 per individual for the recruitment process and the enlistment bonus alone, and military personnel now receive wages and benefits that approach civilian scales. Because military compensation systems are hierarchical, the higher the pay levels at the bottom, the higher they are at the top. Compensation costs now account for a high proportion—nearly half—of the total defense budget, so high that they may limit our national security options by competing with other military outlays. The compensation budget could grow heavier if the future supply of potential recruits diminishes, and Census Bureau data predict that this will indeed occur.

Second is a set of issues related to the quality of personnel. The military prefers individuals with a high school education or more because such people tend to do better with today's sophisticated military equipment. They also tend to have better staying power; 80 percent of them make it through a three-year enlistment compared to 60 percent for non-high school graduates. But in 1980, more than one-third of all army recruits were non-high school graduates.

Then there is the troublesome issue of racial imbalance. Just as was the case during the Vietnam era, blacks and other minorities still comprise a much greater percentage of the Armed Forces than they do of the general population. This is especially so in the combat forces. To many, that is an undemocratic situation. An army whose soldiers come disproportionately from disadvantaged groups—whether "voluntarily" or not—violates our sense of fairness.

Meeting Social and Economic Needs

Most models of National Service presume the existence of large numbers of unmet, important social and environmental tasks that a large number of youth could perform. The key word is important; digging and filling holes or similar make-work tasks would be fatal to the integrity of the National Service idea. Everyone's favorite model is the Civilian Conservation Corps of the New Deal years. The CCC was among the most acclaimed inventions of the thirties, and was, in some respects, a precursor of National Service. It drew millions of poor youth from farms and cities—youth very much like the disadvantaged young people of today—fed them, sheltered them, looked after their health and other basic needs, and, while doing so, reforested America. The CCC not only planted over 2 billion trees covering 21 million acres—about half the trees ever planted in America. It built 46,000 bridges, 126,000 miles of roads, 62,000 buildings other than CCC camp buildings, restored 4,000 historic structures, built almost a million miles of fence, laid 89,000 miles of telephone line, and cleared 69,000 miles of fire breaks. In addition, the CCC developed 800 new state parks, spent 12 million man-hours preventing and fighting forest fires, and introduced erosion control measures to 40 million acres of farmland.

Are there, in fact, enough productive jobs today for National Service members to undertake without displacing other workers? In the past year or two, the problems of America's decaying infrastructure—roads, bridges, and transportation systems—have been a lead story in the media and the basis of all kinds of job legislation in the Congress. The proponents of National Service generally do *not* see it as a work force for reconstructing or rehabilitating all aspects of that infrastructure. The changes that have occurred since the thirties, including the rise of organized labor, must be taken into account. But according to recent estimates, even if tasks in the public works sector are excluded from the National Service mandate (except for some maintenance tasks), there would still be no lack of assignable tasks for National Service workers to perform. In 1978, the Urban Institute published a study of America's job-creation potential. This study

identified and catalogued more than 200 types of organized activity that could be undertaken or expanded by National Service workers without significant displacement of other workers. In only 100 of these activities, the Institute reported a potential total of 3 million jobs. Other experts have put the total at over 4 million jobs. In short, even if we were to adopt a maximum-scale National Service model, the labor demand would equal the labor supply.

What kinds of jobs? The Urban Institute's researchers indicated that a substantial part of the total—about one million jobs—would be in education: in classroom and teacher assistance, student counseling and tutoring, and maintenance of facilities. Health and hospital services, clinics, and nursing homes would account for another 900,000 jobs. Social services such as day care and care of the elderly would account for another 500,000. Environmental needs would add 800,000 jobs, of which 500,000 would be in conservation. Police and fire protection were estimated, in 1978, to account for 300,000 jobs, but that number is probably low, as there is an ever-growing need for citizen patrols and arson-watchers in urban neighborhoods. Finally, an estimated 400,000 jobs would be in libraries, museums, cultural facilities, and in miscellaneous other areas.

What is the potential for some cost reimbursement from employers? There is reason to believe that many or most of the hospitals and school systems that would seek National Service enrollees could provide food and lodging and possibly part of any stipends. There are two advantages in a reimbursement formula. First, it would obviously reduce the federal budgetary burdens of a National Service system. Second, it would act as a safeguard against make-work. It's worth noting, however, that with or without reimbursement, and whether or not National Service results in any tangible, short-term economic gains, the nation would gain from any and all worthwhile work performed. The CCC was a significant expense in the federal budgets of the thirties and produced few short-term gains. But the subsequent value of the trees planted and the other work done by the CCC was enormous.

Personal Development

Finally, we come to the potential of National Service for individual development. Many staunch supporters of the concept believe that young people would come to regard National Service not as an unwelcome burden but as an interval for personal exploration and growth. They recall with fondness the best years of VISTA, the Peace Corps, and the civil rights movement, when young people from a diversity of backgrounds volunteered with enthusiasm for a diversity of assignments in a diversity of places. The alumni of those activities generally report that they were better persons when they came out than when they went in. In later years, those periods of service were proudly inscribed on job resumes. Employers and admission deans have respected that entry, as have I and many of you.

None of us can now say to what extent similar attitudes prevail among today's youth. Nor can we be sure of how well National Service would function for street-corner youth with backgrounds of truancy, drug abuse, and crime. Evaluations of the Job Corps, which enrolled large numbers of the disadvantaged, indicate that most participants have benefited by their experience as measured by improved work-readiness and job attitudes. According to several surveys of Job Corps alumni, those who remained in the Job Corps for more than three months gained significantly in self-esteem, in willingness to accept authority, and in ways of using leisure time. In my view, it is essential that any program of National Service be accompanied by strong programs in remedial education, counseling, and social service. And because, for the disadvantaged, personal development depends so often on a change of social environment, it is also my belief that an effective National Service program should include substantial opportunities for people to obtain training and to carry out assignments while living away from home.

No one believes that National Service will work magic on all its enrollees. Service in the Armed Forces has not done so, despite considerable efforts in remedial education and similar compensatory programs. Such programs have had only mixed success, as evidenced by persistent disciplinary problems and a

high incidence of less-than-honorable discharges. But the record also shows that a successful period of service has been a pivotal factor in the efforts of many youth to carve out rewarding careers and a life in the mainstream of society.

A Major Reform

The concept of National Service has critics as well as supporters. Some of the criticism comes from those who are opposed on moral or legal grounds to any kind of mandatory plan. Some object to the complexity of such a large undertaking and others are troubled by its potential cost. Whatever the arguments pro or con, one thing is clear: the implementation of a large-scale National Service program would constitute a major reform. And that reform will be greatly facilitated if it is preceded by a period of comprehensive research, thoughtful planning, and informed public debate. In support of that public debate, the Ford Foundation recently made a substantial grant to a private study group to assess several models of national service, measuring each against criteria of individual and social needs and operational and administrative feasibility. The final report, to be ready at the end of the year, will estimate the likely costs and benefits of National Service—to labor markets, to rural and urban communities, to the Armed Forces, and to the employment, earnings, and attitudes of young people themselves.

National Service is a compelling concept that merits a place near the top of the national agenda. Security needs may make the concept an urgent one. But the idea would have sweep and power even for a society unthreatened by external enemies and without armies. In its fullest expression National Service can be an institution of historic importance to America's youth—and to America's future.